

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1047

PRINTER NO. 1375

AMOUNT

See Fiscal Impact

FUND

General Fund
State Treasury Armory Fund

DATE INTRODUCED

January 31, 2022

PRIME SPONSOR

Senator Gebhard

DESCRIPTION

Senate Bill 1047 amends Chapter 15 (State Armory Board) of Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes to replace outdated sections in the Military and Veterans Code (code).

This legislation amends the code as follows:

Section 102 (Definitions)

Senate Bill 1047 redefines "Armory" as land, buildings and fixtures under the control of the department that are either located at Fort Indiantown Gap or are used for housing, maintaining and supporting Pennsylvania military forces, the Pennsylvania National Guard or the Pennsylvania Guard. "Department" is currently defined in the code as the Department of Military and Veterans Affairs of the Commonwealth.

Section 1501 (Composition and general functions) is repealed and replaced with section 1501.2

Section 1501.1 (Definitions)

The legislation adds the following definitions:

- "Board" - State Armory Board; and
- "Fund" - State Treasury Armory Fund.

Section 1501.2 (Composition and general functions)

The board shall consist of all of the following:

- 1) Adjutant General or designee;
- 2) The department's Deputy of the Office of Facilities and Engineering, who shall be the chairperson of the board;
- 3) The chairperson shall designate a secretary of the board who may not be a member of the board; and
- 4) The Adjutant General shall appoint eight members to the board, three of whom shall be members of the Pennsylvania National Guard.

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This section defines the purposes of the board as follows:

- 1) Provide, equip, maintain, manage and regulate armories;
- 2) In consultation with the Adjutant General, accept gifts of land, with or without buildings, to be used for military purposes or to support the mission of the department; and
- 3) In consultation with the Adjutant General, use money appropriated to the board to purchase, for armory purposes, suitable buildings or sites.

Section 1502 (Erection of armories)

Senate Bill 1047 replaces the existing language in section 1502 to provide for the following:

- a) In consultation with the Adjutant General, the board may utilize money appropriated to the board to erect or provide armories anywhere within the limits of this Commonwealth; and
- b) An armory shall be used for storage, to maintain property, to support training assemblies, hold meetings and for rendezvous purposes by an organization of the Pennsylvania military forces, Pennsylvania National Guard or the Pennsylvania Guard.

Section 1503 (Management of armories)

The legislation replaces the existing language in section 1503 to provide that, in consultation with the Adjutant General, the board shall adopt and prescribe rules and regulations for the management, operation and naming of armories and for the guidance of the organization occupying the armories.

Section 1503.1 (Management of buildings and structures at Fort Indiantown Gap)

This section provides that, in consultation with the Adjutant General, the board may direct the administration and utilization of buildings or structures at Fort Indiantown Gap.

Section 1504 (Purchase or lease of ground for armories)

Senate Bill 1047 replaces the existing language in section 1504 to provide for the following:

- a) In consultation with the Adjutant General, the board may purchase or lease ground in this Commonwealth where deemed necessary to provide armories;
- b) Under the direction of the Adjutant General, the board may erect an armory or use ground purchased or leased for the benefit of Pennsylvania military forces, the Pennsylvania National Guard or the Pennsylvania Guard;
- c) The board shall inform the Adjutant General of the armory's availability for occupancy and use;
- d) The Adjutant General shall set a timeline for a using unit or organization to occupy the armory under the direction and responsibility of the senior officer in command of the using unit or organization.

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Section 1506 (Donation of property and services by political subdivisions)

Senate Bill 1047 makes technical changes to language for consistency and clarifies that the board's actions are in consultation with the Adjutant General.

Section 1507 (Sale of unusable armories and land; sale or lease of timber and mineral rights)

The legislation makes technical changes to language for consistency and changes final authority over sales from the board to the Adjutant General.

Section 1509 (Rental and lease of armories)

Senate Bill 1047 replaces the existing language in section 1509 to provide that the board, in consultation with the Adjutant General, may rent or lease an armory, subject to the following:

- 1) The board may promulgate rules and regulations for the rental or lease of an armory to persons or organizations at scheduled rates approved by the board;
- 2) The Adjutant General may authorize lease or rental fee waivers to government and nonprofit organizations;
- 3) Rental and leases shall be payable to the fund; and
- 4) A lease executed under this section may not be executed for longer than a term of five years.

Section 1509.1 (Rental and lease at Fort Indiantown Gap)

Senate Bill 1047 adds a new section to permit the board, in consultation with the Adjutant General, to rent or lease a building or structure located at Fort Indiantown Gap, subject to the following:

- 1) The rental or lease of buildings and structures must be to organizations or entities that support the mission of the department at scheduled rates approved by the board;
- 2) The Adjutant General may authorize lease and rental fee waivers to government and nonprofit organizations;
- 3) Fees under this section shall be payable to the fund; and
- 4) A lease executed under this section may not be executed for longer than a term of five years.

Section 1511 (State Treasury Armory Fund)

Senate Bill 1047 makes technical changes to language for consistency and eliminates the provision requiring an annual augmentation to the department.

Section 1512 (Maintenance, construction and repairs)

This legislation makes technical changes to language for consistency and provides that the board may carry out all maintenance activities with respect to an armory if the cost does not exceed \$100,000 and may carry out contracts for repair or construction of armories up to an amount of \$100,000.

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This act shall take effect in 60 days.

FISCAL IMPACT:

Current language in the code provides that "an amount equal to the 1988-1989 rental revenues shall be provided to the department each year from the State Treasury Armory Fund." The code, as rewritten, removes that requirement. Rental revenues in FY 1988-89 were approximately \$122,000. Each year, the department uses this revenue to offset its operating costs in its General Government Operations appropriation. Therefore, enactment of this legislation will result in a loss of revenue to the department's General Government Operations appropriation.

In order to accommodate this revenue loss, the department has identified a corresponding offset in spending to contracted maintenance. In FY 2021-22, the department's General Government Operations appropriation was appropriated \$26.4 million from the General Fund.